

# **Open creation: A way to manage creativity in publishing industry.**

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## **Résumé :**

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This paper is devoted to the pattern of creative activities in the publishing industries. A key concern is about vertical control or not. An empirical research is conducted in the French educational book publishing industry. From a sample of 352 functions, it appears that companies, and especially subsidiaries, contract out more their functions characterized by creativity requirements. This way to use the creativity of the external providers through outsourcing constitutes an original pattern. Thanks to the qualitative material collected, we propose a deep explanation of this “open creation” phenomena.

**Mots-clés :** creativity, publishing industry, boundaries of the firm, contracting out

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# **Open creation: A way to manage creativity in publishing industry.**

## **Introduction**

Creative industries have recently received an increasing attention from academics (as reflected in the recent special issue of *Organization Studies*). First, their contribution to the economy is massive: Mietzner and Kamprath (2013) remind that in countries like Great Britain or Germany the number of people working in the creative sectors is higher than in manufacturing industries like mechanical engineering or chemistry. Second, firms of these sectors are characterized by original features. Facing a high demand uncertainty, they need to get various creative talents cooperate in order to incorporate numerous skills into products of an infinite variety (Cave, 2000). This kind of challenge requires to find original solutions, which constitute organizational innovations. For example, De Fillippi and Arthur (1998) have highlighted the creation of temporary organizations (“project-based enterprises”) in the film making industry, constituting a model of organizing that is broadly and increasingly applicable to many other fields.

Since the importance of creativity has greatly increased in the strategic management field (Kim and Mauborgne, 2005), it appears really interesting to analyze how firms of creative industries manage their creative activities, which constitute their core business. As one already knows small differences in skills and talent may yield huge differences in success in creative industry (Cave, 2000), it appears that it is through the firm’s internal organization that resources are transformed into competitive advantage (Barney, 1995). In this way we have analyzed the organization of creative activities in the French educational publishing industry. Following a long tradition of research about the boundaries of the firm, we have focused our specific attention to the make or buy dilemma.

Then, our research question is: what are the creative industries practices as far as the make or buy of creative activities are concerned?

Adopting an abductive methodological positioning, the empirical study follows several steps. First, we test hypotheses derived from the literacy. An interview of an observer of the sector is then used to find a path to understand. Finally, new statistical analyses and verbatim transcriptions of interviewed managers of these firms are then proposed to provide evidence of the observed configuration. We name this configuration open creation and describe some of its main characteristics.

## **1. Theoretical framework:**

The creative activities are crucial in the creative industries: they are at the heart of the creation process. Nevertheless, the analysis of the outsourcing of such activities is not common, probably because of a lack of an obvious theoretical framework. For example, transaction cost theory (probably the most frequent theory applied on outsourcing studies) doesn't provide any specific concepts, as far as creative functions are concerned. Designing such a theoretical framework requires creativity. We will then present two ways of considering the creative functions: an agency theory (1.1) and knowledge-based (1.2) approaches.

### **1.1 Agency theory and Organizational Control theories**

Agency theory has provided a useful framework for the analysis of activities' organization through the lens of the agency relationship. Agency theory constitutes one of the dominant theoretical perspectives of boundaries of the firm (Tiwana and Bush, 2007, Hancox and Hackney, 2000, Bahli and Rivard, 2003) despite the initial admonition of their founders: "it makes little or no sense to try to distinguish those things which are 'inside' the firm from those things that are 'outside' of it" (Jensen and Meckling, 1976, p. 311).

According to organizational control theory and agency theory, the choice of behavior or outcome control depends on different factors and especially about knowledge of "cause/effect relations" (Thompson, 1967), knowledge of the transformation process (Ouchi, 1970) or task programmability (Eisenhardt, 1985, 1989, Banker & al., 1996, Govindarajan and Fisher, 1990). By promoting "task programmability", Eisenhardt has contributed to transform these variables into a characteristic of the task (Kirsch, 1996).

Applied to our framework, we consider that a creative function is, by definition, a non-programmable activity. Indeed, the American Heritage Dictionary defines creative as “Characterized by originality and expressiveness”, which seems us the opposite of “the degree to which appropriate behavior by the agent can be specified in advance” (Eisenhardt, 1989, p.62). Following the agency theory perspective, creative functions (or non-programmable tasks) are outcome-controlled (Eisenhardt, 1989) and then more likely contracted out.

*H1a: Creative activities are more likely to be contracted out.*

## **1.2. Knowledge based view**

Knowledge based view has provided a fruitful framework for the strategic management field through the lens of the organizational learning. In a knowledge-based theory of the firm, competitive advantage does not derive from cost or position but from innovations. And innovations require creativity (Peters, 1990). Then companies must take care of their functions enabling creativity.

Creativity means that knowledge held by an individual is externalized into objective explicit knowledge to be shared and synthesized (Nonaka and Toyama, 2005). The newly created knowledge is then used and embodied by individuals to enrich their subjective tacit knowledge. However, knowledge creation is not just a conversion process between tacit and explicit knowledge (Nonaka, 1994, Nonaka and Takeuchi, 1995). The process is viewed as a process of validating the fit between the newly knowledge and the business needs to better serve processes and customers. Knowledge is context-specific, and therefore needs a physical context (or a situated action) for it to be created. When individuals share same or similar context, their individual knowledge is shared so that new knowledge is created through interactions with others and the environment.

Besides, Cohen and Levinthal (1990, p. 128) have highlighted the importance of exploiting external knowledge through the absorptive capacity (defined as the « ability to identify, assimilate, transform, and apply external knowledge »). However, they assume that the ability to evaluate and utilize outside knowledge is largely a function of the level of prior related

knowledge, implying that in-house R&D is the best way to use externally available information.

Applied to our framework, we consider that a creative function constitutes, by definition, knowledge creation. Following the knowledge based view, creative functions require socialization and willingness to share tacit knowledge and then less likely contracted out.

Bettis, Bradley and Hamel (1992) showed through the decline of many western industrial firms, that outsourcing creative functions prevents knowledge accumulation and then future competitive advantage. Some empirical studies have provided support for this principle: knowledge-production (Azoulay, 2004) and production requiring tacit knowledge (Kogut and Zander, 1993) are more likely in house.

Nevertheless Brusoni, Prencipe and Pavitt (2001) consider two conditions for creative functions outsourcing: being in a stable technological environment and maintaining in-house technological capabilities.

*H1b: Creative activities are less likely to be contracted out.*

H1a and H1b are perfectly opposite. As the two faces of Janus, creative activities may be considered as a support of knowledge creation, best suited in the company, or a non-programmable activity, best suited to outsourcing.

Then a unique test will be performed on our sample of French companies so as to reveal the dominant effect.

## **2. A quantitative study to test the contracting out of creative functions :**

### **2.1 Sample and data collection**

Scholars have many times used publishing industry as a background for their studies of organizational boundaries. (Levitt and Nass, 1989, Sutcliffe and Zaheer, 1998). There are fourteen French national educational publishers. All have more than fifty employees. Six publishers are independent companies and eight are part of a large publishing group. They are part of three publishing groups. Hachette is one of the top ten publishing world's leaders (with Didier, Foucher, Hachette, Hatier as well-known textbook brands), Editis is the main challenger (e.g., Bordas, Nathan, Retz), and Albin Michel a small publishing group (Magnard).

From April 2005 to June 2006, we interviewed 26 executives and 3 non-executives of thirteen French national educational publishers. The interviews lasted between 15 minutes and 2 hours, the average duration being around 45 min. Most of them were recorded, transcribed and sent for approval to interviewees. They were focused on their outsourcing practices and provided qualitative and quantitative material for this study.

First, we have established a list of functions of educational publishers. As a starting point, we used the list of functions of the Outsourcing Barometer survey realized by the French subsidiary of Ernst & Young. From the primary list, we removed ambiguous functions or functions not in use in this industry (e.g., "other administrative services") and we added some specific functions to this industry (ex: "editing"). This list of 28 functions (see annex A) has then been validated by experts of this industry and then used in structured interviews.

For each of the thirteen publishing companies of the sample, we have learnt the situation of each function as far as boundaries of the firm are concerned:

Contracting out = 1, when the function is (at least mostly) realized by an external provider (and 0 by employees of the publisher or of the publishing group). We have not met any shared services.

Three experts of this industry and the authors have then coded the independent variable (average intercoder agreement rate exceeds 85%).

Our sample is made of 352 functions . The unit of analysis of our research is a function (for example, Wages and salaries, Procurement Management, Internal Audit ...) used by a publisher. The function's responsibility may be located at the corporation level or business level. The function's execution may be realized by employees of the publisher (either at division or headquarter level) or by an external provider.

Two control variables have been added to the model, so as to extract their influence of the tested hypothesis: does the function belong to the core business and the size of the company.

## 2.2 Statistical results

The results of the econometric estimates of the logit regressions (Models A and B) are illustrated in Table 1. The table shows the estimated values of the coefficients of the independent variables and joint significance levels (Wald tests, illustrated at the bottom of the table.).

**Table 1: Logistical regressions results (contracting out)**

	<b>Model A</b>	
Constant	-1.939***	
control	Company size	.379
	Core business	.776*
Creative function	1.337***	
Nagelkerke R <sup>2</sup>		22,2 %

\*: < 0.05 \*\*: < 0.01      \*\*\*:<0.001

The Model A represents the test of our Hypothesis H1. Creative functions appear highly significant, as far as boundaries of the firm are concerned: creative activities are more likely to be contracted out (than non-creative activities).

This seems to strengthen the explanatory power of the agency approach: because it appears hard to control the behavior of agents of the creative functions, companies prefer to outsource and assess the result of their work.

Does it mean that managers of French national educational publishers don't take the knowledge advantages of in-house creative functions into account?

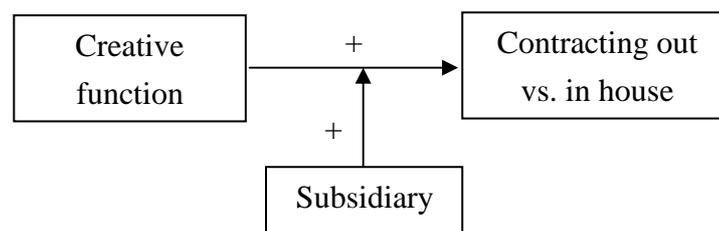
### 3. Qualitative and quantitative materials to explain the open creation

An interview with an observer of the sector (representing a federation of employers) has provided us a clear potential explanation of the strategies of the publishers, as far as contracting out creative functions is concerned:

“I'd like to tell you that they are able to outsource anything. Then there are the ones who say “we do not outsource anything”, it means “I have my layout artist in my house... it's the company ethos... It's really important for my image... I can't let go a corny cover.” Typical of a small publishing house, they're thirty or forty and everything is in the house. [...] In contrast, publishing houses in big groups are under a different pressure and tend to think about outsourcing. Outsourcing appears really easy because you need an editor during a given period. You may need an editor specialized in literacy or history, but you may not need him every year. Then, as far as cost are concerned, the contracting out is debatable, but as far as culture, brand are concerned, the company ethos is more difficult with an outsourced process.”

Independent publishing houses and subsidiaries seem to have different boundaries practices.

*H2: Creative activities are more likely to be contracted out, when the publishing house is a subsidiary.*



We have introduced then the status of subsidiary of the publishing house as a variable in our regression (Models B and C of the Table 2). The status of the publishing house appears as highly significant as a moderator effect (Model C). This means, that the contracting out of creative activities is all the more frequent as the publishing house is a subsidiary (H2 has been corroborated).

**Table 2: Logistical regressions results (contracting out)**

	Model A	Model B	Model C
Constant	-1.939***	-2.681***	-2.077***
control	Company size	.379	-.410
	Core business	.776*	.824*
Subsidiary		1.650***	.852
Subsidiary*creative			1.539**
Creative function	1.337***	1.466***	1.562***
Nagelkerke R <sup>2</sup>	22,2 %	30.1 %	32.2 %

\*: < 0.05      \*\*: < 0.01      \*\*\*:<0.001

In order to highlight this inductive result, we have interviewed managers of the independent publishing houses. All of them pride themselves on their in-house production, hallmark of independence and company ethos:

**Verbatim reports 1: Motives for in-house creative activities**

1.1. “Due to our position of independent publisher, we have some special features. For example, to keep the chain from one end to the other is really important for us and may be a competitive advantage.” (CEO of an independent publishing house)

- 1.2. “We seek to keep a real homemade touch and homogeneity in all our production.” (CFO of an independent publishing house)
- 1.3. “Educational book represents half of the turnover. They are complex books, then we prefer to realize the maximum internally.” (CFO of an independent publishing house)
- 1.4. “We have analyzed the opportunity to outsource this function. I would say as a stringent management rigor. But with two convictions: first we would lose a kind of independence, second we would have to win economically at the end.” (CEO of an independent publishing house)

Through interviews of managers of subsidiaries emerges a strong opposition about this question of editorial independence:

### **Verbatim reports 2: Subsidiaries and editorial independence**

- 2.1. “Insourcing is not a value” (CEO of a subsidiary publishing house)
- 2.2. “There was a very famous banker for publishers in Paris called Mr. Carré. He used to say: “In my opinion, independent publishers are the ones who don’t call me at the end of the month”. It means that to afford what one wants is the real independency. For the shade between independency and autonomy, I let you...” (CEO of a subsidiary publishing house)
- 2.3. “There is a quotation of Antoine Gallimard, who is the model of an independent publisher, [the CEO shows me the quotation exhibited on his wall]: “Independence is not a panacea. The subsidiary of a big group may behave as an independent publisher. What matters is professionalism.” [...] As far as independence is concerned, there are two meanings. First, the capitalistic aspect. Then, among publishers, the word independent has another meaning, i.e. “do you implement the editorial policy you would desire? Does the shareholder interfere in your choices?” And generally there is a confusion between these two aspects.” (CEO of a subsidiary publishing house)

Disentangling editorial independence and capitalistic autonomy, managers of subsidiaries consider contracting out in a more positive light. They appreciate in contracting out the advantages in terms of strategic flexibility and costs:

### **Verbatim reports 3: Advantages of contracting out**

- 3.1. “We outsource as we walk. For us, working with subcontractors is really so normal. Once again, we have internal and external providers. We are all providers from each other”. (Director of a function in a group).
- 3.2. “Outsourcing is the way forward. Then it is the way to assure the next years. This is pragmatism. Incidentally, I think that overpopulated publishing houses will face (and some are already facing) troubles in case of low production levels (for example due to a lack of academic program renewal). (CEO of a subsidiary publishing house)
- 3.3. “We make the editors and managers of publishing houses sensitive to really maintain the permanent staff as low as possible.” (CFO of a group).
- 3.4. “External page layout creation provides more flexibility, freedom, availability and speed. Internal [creation] is really different. By way of example, externally we can place an order on a Friday evening and get it on Monday morning. That’s impossible internally. That matters since we save one week.” (CEO in a subsidiary publishing house)
- 3.5. “It’d be hard to backsource these functions. Because we’d either have to hire some quarter-time person (and they’d refuse), either we’d hire multi-skilled professionals (able to integrate all these functions on a half-time). But there would be a risk that competencies on these functions are a bit updated.” (CEO of a subsidiary publishing house)
- 3.6. “*Has outsourcing enabled to decrease the costs?* Thanks to the size of the group, layout purchase is cheaper indeed. *Do you centralize the layout purchase?* No, it is still managed by the publishing house. *Then, how do you benefit from a cost decrease thanks to your belonging to a group?* We know the tariffs obtained by the other houses in the group.” (Editor in a subsidiary publishing house).

Considering a cost-effective rationale for contracting out a function is very common, this is highlighted, for example, by the economizing approach (Williamson, 1991). Nevertheless, most of the creative functions constitute the core business of creative industries.

#### **Verbatim reports 4: Strategic role of creative functions in publishing industry**

- 4.1. “Our core business is the quality of creation. We’re accustomed to outsourcing it to authors too, since the quality of creation of our products mostly derives from the quality of our authors. And we’re accustomed to living with them without putting them under glass. And the quality of dialog with them makes the quality of our products” (CEO in a subsidiary publishing house).

Then, it would be surprising to see them adopt a configuration detrimental to their creativity. Despite the knowledge-based view arguments, is there any advantage to contract out creative functions, as far as creativity (or knowledge creation) is concerned?

Without consulting each other, many managers of subsidiary publishing houses have evocated the same argument:

#### **Verbatim reports 5: Contracting out for creativity reasons**

- 5.1. “Outsourcing enables us to benefit from a higher creativity. Indeed, people always working with the same internal teams tend to go in circles”. (CEO in a subsidiary publishing house)
- 5.2. “We need variety in the layout design, then we use external persons” (CEO in a subsidiary publishing house)
- 5.3. “Creating in a single environment makes a team’s creative ability exhausted. Even though external persons work once for practical books, once for the press... This renews their ideas and makes you benefit from other sectors’ contributions”. (CEO in a subsidiary publishing house)
- 5.4. “[My predecessor] was thinking, since he didn’t see the published books as the best of the market. He had not made his choice but he was thinking “The solution

might be to hire an expert, an internal art director”. When I arrived (from other universes than education), I said “By no means. If we do it, the first three years we’ll get some beautiful things and then we’ll get the same during twenty years”. Then we out-source.” (CEO in a subsidiary publishing house)

- 5.5. “The CEO knows that she can contract out without any problems. And that having an internal art director may be double-edged. He may have his fancies and restrict creation by imposing them. Besides his diva-like behavior may contrast sharply with the laborious culture of educational publishing.” (A trade-unionist of the preceding publishing house)

Many publishing houses prefer to contract out creative functions to improve creativity!!! Indeed, managers consider that working with external creative providers enables a higher renewal of ideas and inspiration on a long term basis than an internal service.

Besides, they consider that contracting out doesn’t prevent from keeping a company spirit in the production:

#### **Verbatim reports 6: contracting out and company spirit**

- 6.1. At home, editors are kind of orchestra conductors and project managers. They’ll work with authors, illustrators, layout artists, picture editor... in order to manage the project into an editorial and artistic direction, which is our touch. (CEO in a subsidiary publishing house)

Creative functions outsourcing requires naturally an internal knowledge base, otherwise communications could preclude reactivity.

#### **Verbatim reports 7: contracting out and internal knowledge base**

7.1. When I have been hired, I have confirmed the page layout outsourcing but with a huge difference. I have said “now we’ll train everyone to desktop publishing.” So, when they have a correction and half, they can get into it, instead of send it back to the layout artist with a red paper. (CEO in a subsidiary publishing house)

This is the pattern we would like to call “open creation”. In our sense, open creation refers to a massive use of contracting out by creative industries for their creative functions.

Naturally, this concept of open creation should be related to the “open innovation” proposed by Chesbrough (2003). Even if the approach is similar, we consider that there are enough substantial differences to suggest this concept. Through open innovation, the considered innovation is based on R&D activities aiming at improving technology (Chesbrough, 2003). Through open creation, the considered creation concerns the ability to propose an original and attractive content. To conceive a splendid cover with a nice blue and red contrast can’t be compared with the development of a new technology through R&D.

It is then important in this research to clearly state that creative products publishing (like textbook, novels, comics, albums, movies...) doesn’t constitute (in itself) an innovation. Following the Oslo Manual (OECD, 2005, p.48), an innovation is defined as “the implementation of a new or significantly improved product (good or service) or process, a new marketing method, or a new organisational method in business practices, workplace organization or external relations”. Considering the product innovation, it means that these products « differs significantly in their characteristics or intended uses from products previously produced by the firm » or constitutes « significant improvements in technical specifications, components and materials, incorporated software, user friendliness or other functional characteristics ». For a publishing house, each new textbook or novel can’t be considered as an innovation, but an « incremental improvement » (Kim et Mauborgne, 1997, 1999). « The collective and organized activity of producing new content in the creative industries » constitutes organizational creativity (Lê, Massé and Paris, 2013, p.48) and must be distinguished from the rare innovations that appear in this industry (first schoolbook with photos, digital book...).

Enlarging the open approach of strategy, Chesbrough and Appleyard (2007) has proposed open invention (exemplified by the creation of Linux) and open coordination (relative to the technology standards) for novel business models. Through open creation, companies of creative industries don't make their business models evolve: for example, each schoolbook is sold on the same market with the same revenue model than the former one.

Through the table 2 derived from the Chesbrough's seminal article (2003) about open innovation, similarities and differences are summarized.

**Table 2: Contrasting Open Innovation and Open Creation**

<p align="center"><b>Contrasting Principles of “Closed” and “Open Innovation”</b></p>	<p align="center"><b>Contrasting Principles of “Closed” and “Open Creation”</b></p>
<p><u>Closed Innovation Principles</u></p> <ol style="list-style-type: none"> <li>1. The Smart people in our field work for us.</li> <li>2. To profit from R&amp;D, we must discover, develop and ship it ourselves.</li> <li>3. If we discover it ourselves, we will get it to market first.</li> <li>4. If we are the first to commercialize an innovation, we will win.</li> <li>5. If we create the most and best ideas in the industry, we will win.</li> <li>6. We should control our intellectual property (IP) so that our competitors don't profit from our ideas.</li> </ol> <p><u>Open Innovation Principles</u></p> <ol style="list-style-type: none"> <li>1. Not all of the smart people work for us so we must find and tap into the knowledge and expertise of bright individuals outside our company.</li> <li>2. External R&amp;D can create significant value; internal R&amp;D is needed to claim some portion of that value.</li> <li>3. We don't have to originate the research in order to profit from it.</li> <li>4. Building a better business model is better than getting to market first.</li> <li>5. If we make the best use of internal and external ideas, we will win.</li> <li>6. We should profit from other's use of our IP, and we should buy other's IP whenever it advances our own business model.</li> </ol>	<p><u>Closed Creation Principles</u></p> <ol style="list-style-type: none"> <li>1. The Smart people in our field work for us.</li> <li>2. To keep a real homemade touch, we must keep the chain from one end to the other.</li> <li>3. Our homemade touch is a competitive advantage.</li> <li>4. Creative activities insourcing provides us an editorial independence.</li> <li>5. If we create the most and best creative ideas in the industry, we will win.</li> <li>6. We should control our creation process so that our competitors don't profit from our ideas.</li> </ol> <p><u>Open Creation Principles</u></p> <ol style="list-style-type: none"> <li>1. Not all of the smart people work for us so we must find and tap into the knowledge and expertise of bright individuals outside our company.</li> <li>2. External creative providers can create significant value; internal know-how is needed to manage these actors of a project.</li> <li>3. We don't have to fully realize the product in order to profit from it.</li> <li>4. Editorial independence doesn't depend on the sourcing of creative activities.</li> <li>5. If we make the best use of internal and external ideas, we will win.</li> <li>6. We should profit from other's creativity, and we should change providers when there is no more renewal.</li> </ol>

Source: Left part is from Chesbrough (2003)

To get to the market first doesn't mean much in Educational publishing since the scholar textbooks arrive on the same market at the same timing (depending on the reform of educational programs).

Besides, proposing a new concept implies to highlight the contrasts with a few narrow concepts. First, let us consider the difference with a simple function outsourcing. Working on many small creation projects (ex: publish one new book), open creation providers have a flow of one-shot and very short term contracts (instead of long term outsourcing contracts) and share the creation with many other providers (authors, layout artist...) (ex: verbatim 4.1 and 6.1). Let us now consider the difference with co-creation and crowdsourcing. These two concepts put emphasis on the implication of the customer in the creation process. This phenomenon usually doesn't apply in the open creation in creative industries.

Finally, we would like to present the originality of this open creation approach. Going back to our data, this framework provides original explanations for the boundaries of the French national educational publishers.

We have already mentioned that these boundaries don't correspond to the Nonaka's approach (the knowledge spiral). Let us consider now two other rival explanations (from our open creation framework).

Publishing houses could contract out their creative functions because they feel that their internal capabilities are significantly below those of best-in-world suppliers, as explained by Quinn and Hilmer (1994). This is not the case, as several interviews go along this idea (ex: verbatim 5.4). Besides, our regression results (cf. table 1) show that large subsidiaries of groups contract out more than small independent companies. That weakens this internal capabilities explanation.

Publishing houses could contract out their creative functions because they are far from the core business, as explained by Barthélémy (2003). Once again this is not the case, as several interviews go along this idea (ex: verbatim 4.1). Besides using "core business" as a control variable has enabled us to control its effect. Furthermore, it seems that CEO of the French national educational publishers are not reluctant to contract out core business activities, since this variable has a positive (significant) effect on contracting out.

This framework has been discovered and conceptualized through a field-study of a single industry. Its generalization requires attention. Miles et Snow (2007, p. 460) have stated how this industry could constitute a precious laboratory of boundaries choices: « In the typical textbook publishing firm of the time, product development was a joint activity conducted by the firm and independent authors while design, printing, and other functions were performed either internally or by outside suppliers. Thus, what a firm decided to do – and not to do – clearly was a strategic choice ». Different features of the educational publishing industry must be considered: a concentrated and lucrative market, a low price-elasticity and a complex technology (European Commission, 2004). But the most important for our framework is the fact that educational publishing industry is a creative industry.

### **Concluding remarks**

In conclusion, we wish to present some perspectives opened by our initial results and lessons that can be drawn.

From a research conducted on a creative industry a new pattern has emerged. Similar to the open innovation in industrial context, open creation is relative to creative industries. In French educational book publishing industry, we have highlighted that firms contract out their creative functions, more than the non-creative functions. Despite these activities are often core business and may require tacit knowledge sharing, these publishing houses have chosen to organize them through open creation, especially for the subsidiaries. We have provided evidence of the cultural underpinning of the resistance of independent publishing houses to contract out their creation. Although the contracting out of creative functions seems natural as far as organizational control is concerned, it appears really paradoxical as far as creativity is concerned. We have then presented a solution for this paradox: open creation enables a higher renewal of ideas and inspiration on a long term basis than an internal service. The recourse to the market provides a qualitative advantage in terms of efficacy.

Initially emerged in the creative industries, it would be interesting through further researches to analyze how the open creation model could be used in different industries.

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## **Annex A: List of Functions and Activities used in the statistical analysis**

Front office & Reception staff	Market Research
Paper Procurement	Personnel administration
Procurement Management	PC & Desktop
Sales Management	Wages and salaries
Internal Audit	Copyright Management
Cartography	Network & Server Management
External communication (Media Relations)	Facilities management
Accounting	Iconography
Book Cover Design	Software Maintenance
Page Layout	Typesetting
Teacher Relationship	Catalog creation
Promotion	Cleaning and Security Services
Book Distribution	Customer Relationship (Call Centers)
Editing	Internet website & web master